



CITY OF CAMBRIDGE
Community Development Department

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To: Yi-An Huang, City Manager

From: Iram Farooq, Assistant City Manager for Community Development

Date: September 6, 2022

Re: Policy Order #O-10 dated August 1, 2022, regarding \$44 million received through incentive zoning since 2019.

In response to the above referenced Policy Order, we submit the following.

Section 11.202, the incentive provisions of the Zoning Ordinance, was amended in 2015, with a significant increase to the per square foot contribution rate and an expanded applicability of the incentive provisions of the Zoning Ordinance to a broader range of developments. From 2015 to 2020, the contribution rate increased from \$12.00 to \$17.10 per square foot of qualifying non-residential development because of increases that were written into the Zoning Ordinance and annual inflation adjustments based on the Consumer Price Index (CPI). In 2020, the Council amended the Zoning Ordinance to increase the rate to \$20.10, subject to annual CPI adjustments. The current rate is \$21.02.

The first housing contributions under the 2015 zoning amendment were received in FY19. From FY19 through FY22, \$44,366,046.63 in housing contributions have been received. The following is the list of projects with their use, qualifying non-residential Gross Floor Area (GFA), applicable contribution rate, and contribution date.

Project Address	Uses	Qualifying Non-Res. GFA	Rate	Total Contribution	Contribution Date
325 Main Street	Office/lab, retail	383,479	\$17.10	\$6,557,490.90	6/9/2022
165 Main Street	Residential, retail	8,686	\$17.10	\$148,530.60	3/4/2022
350 Water Street*	Office/lab, retail	231,319	\$21.02	\$4,862,325.38	2/18/2022
450 Water Street*	Office/lab, retail	350,500	\$21.02	\$7,367,510.00	12/15/2021
121 First Street	Office, retail	57,000	\$13.50	\$769,500.00	12/22/2021
238 Main Street	Office/lab, retail	373,009	\$16.66	\$6,214,329.94	8/18/2021
222 Jacobs Street*	Office/lab, retail	253,001	\$16.66	\$4,214,996.66	9/1/2020
314 Main Street	Office/lab, retail	371,457	\$14.95	\$5,553,282.15	8/25/2020
145 Broadway	Office/lab, retail	441,614	\$13.50	\$5,961,789.00	10/24/2019
10 North Point Blvd.	Education	40,573	\$14.95	\$606,566.00	6/27/2019
399 Binney Street	Office/lab, retail	156,276	\$13.50	\$2,109,726.00	1/31/2019
TOTAL		2,666,914		\$44,366,046.63	

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Pursuant to Section 11.202(a) of the Zoning Ordinance, the contribution rate for a development is set at the rate in effect at the time the Building Permit is issued. (There is an exception in the Zoning Ordinance for buildings in Cambridge Crossing where the rate is set at the rate in effect at the time of issuance of the Certificate of Occupancy.) The payment for all projects is due at the issuance of the Certificate of Occupancy. Therefore, as can be seen, there is not a correlation between the contribution date and the rate, since the rate was determined when the Building Permit was issued (except for Cambridge Crossing) and construction times vary greatly among developments.